

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
February 4, 2014**

Members Present:

Diana Doutre

Lyle Holmgren

Jeff Reese

Bret Rohde

Byron Wood

Roger Fridal, Mayor

Shawn Warnke, City Manager

Darlene S. Hess, Recorder

CITY COUNCIL WORKSHOP

Mayor Fridal called the February 4, 2014 City Council Workshop to order at 6:10 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, City Engineer Chris Breinholt, Public Works Director Paul Fulgham, Police Chief David Nance, Treasurer Sharri Oyler, and Finance Director Curtis Roberts.

1. Review of agenda items on the 7:00 p.m. Council Meeting:

The Council reviewed the February 4, 2014 Agenda with the following items being discussed in more detail:

Public Hearing to adopt Ordinance No. 14-01. Manager Warnke explained that Ordinance No. 14-01 adopts the Capital Facilities Plan which has a longer planning window, and the Impact Fee Facilities Plan which is a 6-10 year planning window for future projects. The costs attributed to the 6-10 year future projects are used to calculate the impact fee in the Impact Fee Analysis which is Ordinance No. 14-02. The best effort was used to identify future projects that are needed. There is not enough growth currently in Tremonton City to fund the projects based on revenue attributed to the collection of impact fees. The projects will need to be watched and the Impact Fee Analysis will be amended if necessary. Other revenue sources will need to be considered if there is not enough growth.

Councilmember Reese asked why the proposed impact fee for Storm Water is higher than the Water impact fee. Director Fulgham explained that the City currently has a small Storm Drain System and for that reason there are more projects to serve future growth. In the past, the impact fees could be spread out over the build out of the system, but now they have to be done within a 6-10 year period and are not building as much. Since the Legislative changes in 2011, the City has been non-compliant.

Before 1997 Tremonton City was charging \$550 for water hook ups and \$750 for sewer hook ups. It was called a connection fee not an impact fee. Developers started to complain about the amount of connection fees and so the State Legislature enacted the Impact Fee Act. Generally, cities discovered that the connection fees were not enough to cover what the City paid for new hook ups and as a result impact fee amounts were higher. At that time impact fees were collected for Water, Sewer Collection, Wastewater Treatment, and Parks.

Tenille Tingey with Zions Bank Public Financing explained that the change in Impact Fees for Water and Sewer is because of the change in methodology. The Fees can go up and down based on the different projects in the 6-10 year period. The Park Impact Fee has changed drastically because of change in land value, and because the City has spent more on Parks. This will affect the amount needed for the future.

The public can see a breakdown of the fees charged for a new Building Permit. Director Fulgham explained that fees associated with parks are only applicable to new residential growth. Tremonton City Fees are lower than surrounding areas. Ms. Tingey stated that statewide the average Park Fees are \$3,000. Tremonton City is well below that.

Manager Warnke noted that the Impact Fee Act allows impact fees to be collected for Public Safety. The Impact Fee Facilities Plan for Public Safety shows the land Tremonton City has set aside for Fire Station #2 is an ideal location for future growth. The Impact Fee Facilities Plan and Impact Fee Analysis for Public Safety estimates that the City will construct Fire Station #2 in 10 years and that it will cost \$650K. If the City has 31 single family homes built per year in the next 10 years, the City will collect approximately \$48K in Fire/EMS Impact Fees, and \$14K to reimburse the City for the Police Station. With the addition of Fire Station #2, it would open up some room for the Police Department in Fire Station #1. Ms. Tingey reminded the Council that the City would also collect Impact Fees from any non-residential building. The amounts listed above do not include any commercial or industrial Impact Fees.

Finance Director Roberts explained that once the first dollar is collected it commits the City to starting the project within 6 years. Starting the project could consist of land preparation and engineering. Ms. Tingey stated there is a buy in component for the existing Fire Station.

Finance Director Roberts is not against the Public Safety impact fee, but a lot of the funds for Fire Station #2 would come out of the General Fund. The City would need to put aside funds to help fund the new Fire Station, including furnishings, equipment, and staff. Councilmember Wood asked if the City would be reimbursed for the land set aside for Fire Station #2. Finance Director Roberts explained that a buy in means that the City is being reimbursed for capacity within a system that was constructed from City funds other than impact fees. Councilmember Wood asked if the City could quit collecting Impact Fees for Fire/EMS once the Impact Fees have been spent and put the plans on hold.

Ms. Tingey explained that the City could back out at that point. The City can be reimbursed for the current station up to \$148K with Impact Fees. If that is all the City wants to do with the Impact Fees, Ordinance No. 14-02 would need to be amended to not include Phase I of Fire Station #2.

Mayor Fridal noted that Tremonton City had 12 new homes in 2012, and in 2013, the City had 22 new homes and 20 multi-family units. It would take a long time for the City to accumulate the \$148K to reimburse the City.

Ms. Tingey said that if the Ordinance were amended to remove Phase I of Fire Station #2, the City could only collect \$55 in Fire/EMS Impact Fees.

Manager Warnke perceives the need for the Fire Station #2 in the future. Fire Chief Batis previously told Manager Warnke that when new apparatus is purchased the old apparatus would be moved to the new bay of the proposed Fire Station #2. There would not be a need for additional staff, but the new station would give the Fire/EMS personnel two bays to respond from.

City Engineer Breinholt stated that with the new rule of 2011, the City will never collect enough to pay for the cost of the projects in the 6 – 10 year planning window identified in the Impact Fee Facilities Plan. Project funding will need to be supplemented. During training in Salt Lake City, City Engineer Breinholt was told that impact fees are not for some cities. It is harder for smaller cities with the new rules of 2011. Manager Warnke would recommend that in regards to the Public Safety impact fees, the Council approve the impact fees for at least the buy in.

Ms. Tingey confirmed that the current Fire Station, land, and land for the new Fire Station #2 have all been included in the buy in. The City can start budgeting to save money for Fire Station #2. The analysis is done. The City can leave the Impact Fee Facilities Plan and Impact Fee Analysis as it is but change the Ordinance not to enact a fee that would collect an impact fee to construct Fire Station #2.

Mayor Fridal asked if the total amount collected would need to be spent within 6 years. Finance Director Roberts explained that the money collected each year would need to be spent 6 years from the end of the year in which it was collected

The meeting adjourned at 6:55 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Fridal called the February 4, 2014 City Council Meeting to order at 7:04 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, City Engineer Chris Breinholt, Public Works Director Paul Fulgham, Police Chief David Nance, Treasurer Sharri Oyler, and Finance Director Curtis Roberts.

1. Opening Ceremony:

Mayor Fridal informed the audience that he had received no written or oral request to participate in the Opening Ceremony. He asked anyone who may be offended by listening to a prayer to step out into the lobby for this portion of the meeting. The prayer was offered by Councilmember Holmgren and the Pledge of Allegiance was led by Councilmember Dautre.

2. Introduction of guests:

Mayor Fridal welcomed Shawn Anderson with Jones Simpkins, LLC, Tenille Tingey from Zions Bank, Penny Evans with the New Hope Crisis Center, Jessica Tanner with The Leader and John Kitch from the Bear River Chamber of Commerce.

3. Approval of Agenda:

Mayor Fridal asked if there were any changes or corrections to the Agenda. No comments were made.

Motion by Councilmember Wood to approve the agenda of February 4, 2014. Motion seconded by Councilmember Reese. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

4. Approval of minutes – January 21, 2014:

Councilmember Wood stated that on page 3 of the minutes it states that he had asked if companies like Comcast “would be required” to come through the UTOPIA fiber optic system. That should be changed to “could” come through the UTOPIA fiber optic system. On pages 5 and 11, the escalation rate should be changed from “2.5%” to “2%.”

Motion by Councilmember Reese to approve the minutes of January 21, 2014 with the corrections as noted above. Motion seconded by Councilmember Dautre. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

5. Public comments: Comments limited to three minutes:

John Kitch informed the Council that a Spring Fair/Sidewalk Sale will be held on May 17th.

6. Public Hearing:

Mayor Fridal called a Public Hearing to order at 7:09 p.m. to consider adopting Ordinance No. 14-01. There were eleven people in attendance.

- a. Public Hearing on adopting Ordinance No. 14-01 adopting Capital Facilities Plans and Impact Fee Facilities Plans for a culinary water system; sanitary sewer collection system; storm drain system; parks, recreation, open space and trails system; and public safety including Fire/EMS and law enforcement

Manager Warnke commented that a draft copy of the Capital Facilities Plans and Impact Fee Facilities Plans has been available in the City Offices, the Tremonton Libraries, and on the City and State Public Noticing web sites for the public to review. These are planning documents that are required to enact an impact fee.

There were no public comments. Mayor Fridal closed the Public Hearing at 7:11 p.m.

Mayor Fridal called a Public Hearing to order at 7:12 p.m. to consider adopting Ordinance No. 14-02. There were eleven people in attendance.

- b. Public Hearing on adopting Ordinance No. 14-02 adopting and enacting impact fees for culinary water system; sanitary sewer collection system; storm drain system; parks, recreation, open space and trails; and public safety including fire/EMS and law enforcement

Manager Warnke stated that this Ordinance has also been made available to the Public at the City Offices, the Tremonton Libraries, and on the State Public Noticing and City web sites. Passage of this Ordinance will enact the impact fees.

There were no public comments. Mayor Fridal closed the Public Hearing at 7:13 p.m.

7. Presentations:

- a. Audited Financial Statements for Fiscal Year 2013, Curtis Roberts- Finance Director

Director Roberts turned the time over to Shawn Anderson, Jones Simkins, LLC Auditor.

Mr. Anderson reviewed the Independent Auditors' Reports and the Management Discussion and Analysis for the Audit of the year ending June 30, 2013 and stated that the audit went well. Mr. Anderson said that he was happy to report that there were no difficulties during the audit. The City Staff was extremely helpful and provided everything the auditors needed in a timely fashion. There were no internal control findings; the City's Financial Statements are generally correct; and there were no control findings related to Government Auditing Standards.

Jones and Simpkins auditors looked at the City's compliance with the General and Major State Program Compliance Requirements described in the *State of Utah legal Compliance Audit Guide* for the year ended June 30, 2013 which are identified as Cash Management, Budgetary Compliance, Fund Balance Justice Court, Impact Fees, Utah Retirement System Compliance, Conflicts of Interest, and Nepotism. After testing all those areas, there were no findings that have to be reported to the State Auditor's Office.

Mr. Anderson stated that Finance Director Curtis Roberts did a great job putting

together the Financial Statements and they are generally correct and can be relied upon. Jones Simpkins does a very thorough and efficient audit. The City has a great Staff who helped them to be efficient.

Director Roberts reviewed the Financial Statements. The Sewer and Storm Drain Funds are solid. Those Funds are operating exactly as they should. The Return on Assets is enough to be able to do replacements if needed. The cash values have improved and the Storm Drain Fund has significantly improved. The increased fees that were adopted are doing exactly what was wanted.

Director Roberts reported that the Operating Income for the Water Fund is \$256,860, a 6.2% return on assets. That is exactly where it should be. The cash position is improving and there is cash to operate and even provide for a little bit of building as water lines are replaced. The way Impact Fees are at this time, some of the future water projects costs will have to be funded from Capital.

The Treatment Plant Fund Operating Income is only \$29,000, a .8% return on assets. This needs to be a 3% to 4% rate of return. The cash flow isn't in a bad position, but last year the rate of return was about 1.3%. The trend indicates that this Fund may need some consideration. If this trend continues without adjusting the fees or making changes in how the Treatment Plant is operating, there is the potential for some concern. Director Fulgham needs to be looking at what can be done to replace those assets.

The General Fund balance at the end of fiscal year 2013 was \$590,911. \$287,472 was transferred out, so the net change in the General Fund Balance went up \$264,754. This Fund balance increase was planned because State Law allows municipalities to carry over 25% of the next year's revenues. That gives the City more operating cash and makes the General Fund really solid.

The Redevelopment Agency is running the way it was planned. There is a little money in this Fund that can be used to do some low income housing projects.

This is the first year that Fire/EMS has been broken out into its own separate column. This year the Fund spent \$62,992 more than it took in. That means that the General Fund is still subsidizing the Fire/EMS Department. Part of the deficit was due to the purchase of an ambulance. The General Fund transferred about \$20K to the Fire/EMS Fund.

Non-major Funds include Parks, Recreation, and Food Pantry. \$97,700 was transferred from the General Fund to the Recreation Fund to cover expenses that were not covered by user fees. This is okay. The Council just needs to understand that Recreation isn't paying for itself and probably never will. Recreation generates about \$105K in user fees and they spend about \$200K.

Funds were also transferred from the General Fund to Capital Projects and Equipment/Vehicle Capital Project Funds - \$115K each.

The General Fund had about \$760K in pooled cash and cash equivalents as of June 30, 2013. That is a healthy cash position. More importantly, the City had

\$900K to do Capital Projects with.

Overall, the City is in a solid financial position: the ability to do things in the future has increased; all of the projects have been managed this year; and there is a limited amount of debt. The City operated very solidly.

8. Proclamations:

- a. Proclamation designating February as Dating Violence Awareness Month - Penny Evans, Executive Director of the New Hope Crisis

Penny Evans reported that dating violence victims in Box Elder County can now get a dating violence protective order. This is a good thing. From July until the current date, nine cases of dating violence have been reported within Box Elder County. People need to be made aware that dating violence is an issue. Ms. Evans read the Proclamation to the Council designating February as Dating Violence Awareness Month.

Motion by Councilmember Doutre to approve the Mayor's signing of the Proclamation for Tremonton City. Motion seconded by Councilmember Wood. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

9. New Council Business:

- a. Discussion and consideration of approving the December 2013 Warrant Register.

Motion by Councilmember Holmgren to approve the December 2013 Warrant Register. Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

- b. Discussion and consideration of approving the December 2013 Financial Statement.

Motion by Councilmember Reese to approve the December 2013 Financial Statement. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

- c. Discussion and consideration of adopting Ordinance No. 14-01 adopting capital facilities plans and impact fee facilities plans for a culinary water system; sanitary sewer collection system; storm drain system; parks recreation, open space & trails system; and public safety including Fire/EMS and law enforcement.

Manager Warnke told those present that Ordinance 14-01 adopts two plans for each of the aforementioned utility systems. The Capital Facility Plan is a longer planning horizon and the Impact Fee Facilities Plan is a 6 - 10 year window. The projects identified in the Impact Fee Facility Plan were used to derive the impact

fee amounts.

Tenille Tingey from Zions Bank Public Finance told the Council that this is just the Plan. It does not adopt specific impact fees. There was discussion about changing the date for construction of Fire Station #2. Ms. Tingey pointed out that the current anticipated building date for Phase I of Fire Station #2 is May 1, 2022, but this is just a plan and plans can change.

Motion by Councilmember Reese to adopt Ordinance No. 14-01. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

- d. Discussion and consideration of adopting Ordinance No. 14-02 adopting and enacting impact fees for culinary water system; sanitary sewer collection system; storm drain system; parks, recreation, open space & trails; and public safety including fire/EMS and law enforcement.

Councilmember Holmgren asked if this is the portion where the fee structure is enacted. Ms. Tingey replied that it is. She reviewed the fee structure and how it compares to the current impact fee amounts.

Councilmember Wood commented that once the City starts collecting impact fees for Fire Station No. 2, the City is committing to building the station.

Motion by Councilmember Wood to adopt Ordinance No. 14-02 with just the buy in portion for Public Safety. Councilmember Rohde stated that Tremonton City's impact fees are below those of the neighboring cities, and well below the larger cities like North Ogden. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

- e. Discussion and consideration of adopting Resolution No. 14-07 amending Section III: Employee Hiring of the Tremonton City Personnel Policies and Procedures

Manager Warnke stated that this is part of a continuing effort to re-visit the City's Policies and make adjustments and changes as needed. Quite a few non-drastic changes are being proposed. Manager Warnke mentioned two that came out of a discussion with the Department Heads.

First, there are a few positions within the City that have turnovers from time-to-time, such as Assistant Librarian and Cook positions at the Senior Center. The Department Heads wanted to revisit the current Policy. The proposed change that would occur under this Policy would be that, if there is a position vacancy that occurs within six months of the City having gone through an external advertising process, the Department Heads could hire from those who had previously applied and weren't selected.

Manager Warnke mentioned that the Policy has been modified to do some pre-

employment testing. The Staff has considered developing a hiring pool that would last for six months. A hiring pool could be potentially valuable for the Police and Fire Departments.

The other recommended change from discussions with Department Heads was to the policy relating to the City's Reduction in force. In the proposed change to this section of the Personnel Policies and Procedures, if there should be a reduction in force, the decision would not be based just on seniority, but would be based upon performance.

The other changes are basically making terms consistent throughout the Policy.

Manager Warnke mentioned that City Attorney Ericson recommended some changes. Some of the changes are grammatical, but some of the proposed changes have legal value. If the Council agrees, those suggestions will be incorporated.

Mayor Fridal referred to Item 2.E of the Policy, Job Applicant Disqualifications, and asked why item (2) regarding disqualifying applicants who are physically or mentally unable to perform duties, was proposed to be deleted out of the Policy. Manager Warnke said that it was proposed to be deleted out of the application process section because it is addressed later in the policy. Such a disqualification of an applicant would come through the interviewing process and/or health screenings that are done after a conditional job offer is made.

Motion by Councilmember Reese to adopt Resolution No. 14-07 with the incorporation of the changes suggested by the City Attorney. Motion seconded by Councilmember Dautre. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

- f. Discussion and consideration adopting Resolution No. 14-08 amending Resolution No. 12-42 a Professional Service Agreement with Jones and Associates, INC. for the creation of an impact fee facilities Plan, Impact Fee Analysis, and Capital Facilities Plan and allow for an increase of \$4,000 to the budget.

Motion by Councilmember Holmgren to Adopt Resolution No. 14-08 amending Resolution No. 12-42 with Jones and Associates and increase the City Budget by \$4,000. Motion seconded by Councilmember Rohde. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

- g. Discussion and consideration of adopting Resolution No. 14-09 amending Section VI: Employee Code of Conduct of the Tremonton City Personnel Policies and Procedures.

Manager Warnke stated that passage of Resolution No 14-09 would adopt a Social Media Policy which would authorize Department Heads and Elected Officials to make posts and represent the City on social media. The Policy

recognizes and encourages the use of social media, but because the City is being represented, the Policy tries to instill that good judgment needs to be used because once something is posted on social media it can take on a life of its own. The Policy also tries to give some general guidelines of what is and what isn't appropriate to post.

Councilmember Rohde stated that a lot of Cities are doing this now. A lot of policies were reviewed and it seemed like a good thing to do.

Motion by Councilmember Rohde to adopt Resolution No. 14-09 Employee Code of Conduct of the Tremonton City Policies and Procedures. Motion seconded by Councilmember Reese. Manager Warnke noted that City Attorney Ericson also made comments and suggestions regarding this Policy. The Council agreed that they were comfortable with the inclusion of those comments. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

9. Comments:

a. Administration/City Manager Advice and Consent.

- 1) Discussion of draft amendments to the contract for fire protection services between Tremonton City, Box Elder County, and the Town of Elwood

Manager Warnke said he wanted to give the City Council the opportunity to review the proposed amendments to Fire Protection Services Agreements before sending a draft to Box Elder County and the Town of Elwood. The same fee for hard costs (\$50.36 per dwelling unit, annually) is proposed to continue to be collected. The wording has been changed quite a bit in the proposed Fire Protection Services Agreement to be consistent with the form of most City agreements, although the methodology used in calculating hard costs and soft costs are the same as the previous agreement. Both the Fire Chief and the City Attorney have reviewed the language of the Agreement.

The Agreement gives the City the ability to increase both the hard and soft costs with sixty days notice. The hard cost, which is the annual charge of \$50.36 per dwelling unit, is supposed to cover an entities share of the City's fixed costs for providing fire protections services. Once the City provides fire response, those are termed soft costs. According to the Agreement, the hard costs are charged annually at the beginning of January. The soft costs are charged as they occur. The Agreement also allows either party to terminate the Agreement with sixty days notice.

The State Code limits these types of agreements to five years. There are other State Code requirements contained within the Agreement, as well.

Councilmember Rohde referred to the County Fire District Map and asked if the area in pink which Tremonton City does not serve, is part of

Elwood. Manager Warnke responded that Elwood chose to use the Fire District that was created along with Honeyville and Deweyville for that portion of Elwood. The remainder of the Town of Elwood is covered by Tremonton. Tremonton City covers about 236 dwelling units in Elwood and about 289 in Box Elder County. The City council gave direction for Manager Warnke to send out the proposed Fire Protection Services Agreement to Box Elder County and the Town of Elwood.

b. Council Reports:

Councilmember Wood commented on what a good job the City Staff is doing. He was glad to hear that the City is in good financial shape.

Councilmember Reese echoed Councilmember Wood's comments.

Councilmember Doutre agreed and said that it makes it so easy for the City Council.

Councilmember Holmgren reported that he attended a Tree Meeting the other day and they are making progress at the Splash Pad to replace ten or twelve trees. The trees on the east side of the Splash Pad are being removed and some nice trees will be put in to replace them.

Councilmember Holmgren also echoed what everyone else said about the City Staff. Tremonton is a great city that is in great financial position with great people to work with.

Mayor Fridal added that the Staff has done a terrific job. Tremonton is a terrific city.

10. Adjournment.

Motion by Councilmember Wood to adjourn the meeting. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

The meeting adjourned at 8:05 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Meeting held on the above referenced date. Minutes were prepared by Norene Rawlings and Cynthia Nelson.

Dated this _____ day of _____, 2014.

Darlene S. Hess, Recorder